



The Big Sky Country

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Remarks of State Representative Scott Orr

Before the House Subcommittee on National Economic Growth,
National Resources and Regulatory Affairs

Hearing on the White House Initiative on Global Climate Change
and the Kyoto Protocol

Wednesday, May 20, 1998

Good morning. I am State Representative Scott Orr of Montana, where I've served three terms on the Natural Resources committee. I am also Vice Chair of the Energy, Environment, Natural Resources and Agriculture Task Force for the American Legislative Exchange Council. ALEC is the nation's largest bipartisan membership organization of state legislators. And in my business life, I am the owner of S.J. Orr Services of Libby, Montana, a small solid waste and recycling business. I am here today to discuss potentially devastating consequences that the Kyoto Protocol will have on Montana and to express concern about the subtle and not-so-subtle tactics that the Federal government, including the U.S. Environmental Protection Agency is employing to coerce states to implement facets of the Kyoto Protocol.

Achieving improvements in our environment has been one of the most pressing concerns of the last 30 years. As a nation, we should celebrate our progress and accomplishments. From large

metropolitan areas to small rural communities our air is certifiably cleaner and more healthful. To this point U.S. EPA policies have been effective, albeit economically and constitutionally questionable.

The ominous effects of implementation of the **Kyoto** Protocol to the State of Montana are obvious. We, like West Virginia, Louisiana, Oklahoma, Texas and our neighbor Wyoming, are energy producing states. Small rural communities of the western states have suffered severe economic and social impact as Federal policies have decimated our timber and mining industries. The loss of high wage, good benefits, family supporting jobs has damaged the viability of our schools, small businesses and hospitals. According to a study by the WEFA corporation, Montana could lose more than 11,000 jobs, including 2,000 high-paying manufacturing jobs. Natural gas and electricity prices would go up between 80 and 85 percent - almost double - for Montana manufacturers, seriously undercutting trade competitiveness. Home heating costs would increase by as much as 60% - a \$500 increase per family. Overall, Gross State Product for Montana is expected to decline by 3.3%. Should Congress permit the Federal government to overtly coerce states, the cumulative effects on our communities may not be reversible.

The American Legislative Exchange Council firmly believes there should be no implementation of the Kyoto Protocol without

ratification by the U.S. Senate. It is simply an abuse of power for Federal bureaucracies to design and Implement plans to achieve emission reductions without legislative direction. State agencies should not be lobbied or bullied into submission by the U.S. EPA or any other Federal agency, using taxpayer money, to comply with their requests for "voluntary" reduction of greenhouse gases.

ALEC has discovered that the U.S. EPA is using federal dollars to sponsor programs and conferences to entice state government environmental beaurocrats into implementing the emissions reductions goals of the Kyoto Protocol without Senate ratification. I do not know the extent to which the U.S. EPA has attempted to co-opt the Montana Department of Environmental Quality (MT DEQ), but I do know the MT DEQ did not answer my written and verbal inquiries regarding attempts by the U.S. EPA to engage the state into complying with provisions of the Kyoto Protocol. Is MT DEQ simply afraid of commenting on any pressure that the U.S. EPA may be applying at this time? As always, the issue of primacy is at stake. Unfortunately, it is an all too common occurrence that state agencies and small businesses become fearful when attempting to comply with onerous, top down demands of the U.S. EPA.

As a business owner of 21 years and a hospital board member, I speak with some experience regarding the fear of trying to

be in compliance with a multitude of Federal agencies and their myriad rules and regulations. The nation is painfully **aware** of the ongoing abuse of the American people by the IRS. In Montana we currently are witness to intimidating tactics of the FBI as they harass our small rural hospitals. What we call paperwork errors they term criminal violations. Less than one year ago the U.S. EPA publically threatened to visit my business with armed Deputy U.S. Marshals (EPA agents with badges and assault weapons). Why? Because I refused to fill out a form.

My hope is that this committee will send a strong message to the Federal executive branch agencies that there should be no implementation of the Kyoto Protocol without ratification. We all desire clean air. Forcing states into an adversarial position is not conducive to the ultimate goal of a more healthful environment.

Thank you for the opportunity to comment this morning on this issue.